

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1943
ANSWERED ON:29.11.2002
KISAN CREDIT CARDS
RENUKA CHOWDHURY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether any survey has been conducted by the banks to identify the eligible farmers for the KCCs scheme;
- (b) if so, the number of farmers provided with the cards so far from the identified lot;
- (c) the measures being taken/proposed to be taken to speed up the process of issuing the Kisan Credit Cards to small and marginal farmers;
- (d) whether RBI has also conducted any study on the implementation and operation aRised problems of Kisan Credit Cards; and
- (e) if so, the findings thereof and the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) No, Sir. Banks estimate the number of eligible farmers from the data on the ground level borrowings of banks loans.
- (b) National Bank for Agriculture and Rural Development (NABARD) have reported that since inception 2,61,94,845 Kisan Credit Cards (KCCs) have been issued by the banking sector comprising public sector banks, co-operative banks and regional rural banks, as on 31st August, 2002 (latest available).
- (c) To expedite the process of issuing KCCs to small and marginal farmers, banks have been instructed to consider issue of KCCs for production credit even below Rs. 5000/- at their discretion. Instructions have also been issued to all banks to ensure the issue of KCCs to ail eligible farmers in a time frame of three years i.e. by March 31, 2004. Banks have been advised to launch intensive publicity campaign to generate greater awareness about KCC particularly among small and marginal fanners.
- (d) and (e) RBI has reported that it had conducted an in-house study through its regional offices on the implementation of KCC Scheme in commercial banks. The findings of the study revealed that the scheme has been well received by farmers in terms of timelessness, hassle-free operations as also adequacy of credit including for consumption. Bankers were of the view that the scheme has resulted in reduction of both transaction cost and documentation. However, the operational problems in implementation and in outreach so as to cover all eligible farmers under the scheme have been on account of lack of updation of land records, small land holding and illiteracy of borrowers, etc. RBI has also advised all scheduled commercial banks to rectify the deficiencies which emerged in the Study.